

**MINUTES OF A MEETING OF THE LEARNING AND SKILLS SCRUTINY
COMMITTEE HELD AT BY ZOOM ON WEDNESDAY, 14 JULY 2021**

PRESENT: County Councillor P Roberts (Chairman)
County Councillors B Davies, S C Davies, E Roderick, L Roberts, J Berriman,
A Jenner, DW Meredith, C Mills, J M Williams.
Co-Opted Members: A Davies, S. Davies, M Evitts.
Governance and Audit Committee Members: County Councillor J G Morris and Co-
Opted Member J Brautigam

Cabinet Portfolio Holders In Attendance: P Davies (Portfolio Holder for Education and
Property) and A Davies (Portfolio Holder for Finance and Transport)

Officers: Lynette Lovell (Interim Chief Education Officer), Geraint Rees (Education
Consultant), Wyn Richards (Scrutiny Manager and Head of Democratic Services),
Sarah Quibell (Professional Lead for Education Support) and Mari Thomas (Finance
Manager)

1. APOLOGIES

An apology for absence was received from County Councillor T Van-Rees.

The Committee was advised of the resignation of Mr G Robson as a Co-Opted
Member on the Committee, and that a replacement appointment would need to
be made. The Chair thanked Mr Robson for his contribution at meetings of the
Committee.

2. DISCLOSURES OF INTEREST

Members were advised that they all had a personal interest in any matter relating
to school budgets where they had been appointed as an LEA Governor.
However, this was not in addition a Prejudicial Interest in accordance with the
Members' Code of Conduct.

For non LEA appointed governors it would also be a Personal Interest, but not a
Prejudicial Interest in accordance with a dispensation granted by the Standards
Committee in June 2021.

3. DECLARATIONS OF PARTY WHIP

The Committee did not receive any disclosures of prohibited party whips which a
Member has been given in relation to the meeting in accordance with Section
78(3) of the Local Government Measure 2011.

4. SCHOOL OUTTURN POSITIONS 31 MARCH 2021 AND BUDGET PLANS 2021-22

Documents Considered:

- Joint Report of the Portfolio Holders for Education and Finance – School
Outturn Positions 31 March 2021 and Budget Plans 2021-22.

Issues Discussed:

- £80.8m delegated to schools by the Council for 2021-22. In relation to deficits, warning notices issues to those schools with deficits of greatest concern in July 2019. Since then, schools have been working to improve their budget positions.
- At 1st April 2020, ten warning notices in place, two were during the year and two new notices issued. In one case the school refused to meet the conditions of the warning notice and had their financial delegation withdrawn.
- By 1st April 2021 there were nine warning notices in place and one school having financial delegation withdrawn. By 31st March 2021 the total cumulative reserves for schools was in a surplus position of £2.9m. The total for schools carry forward balances was a surplus of £3.2m. This is an improved position where previously it was projected to be in deficit i.e. an improvement of £5.5m during the year. This is partly due to the additional £3.3m grant funding, and an improvement in in-year positions of schools who were projecting deficits, partly due to schools being closed for a time and due to improvement in budgets by the schools themselves.
- At 31st March 2021 there are eighty one schools in a surplus position with a combined cumulative surplus of £6.9m. There are fourteen schools in a deficit balance position with a combined cumulative deficit of £3.7m.
- Cumulative balances remain a concern and a significant risk to the authority but schools are working with the Council to bring in-year budgets into balance and halt the growth of cumulative deficits.
- Questions:

<p>Is this the same report considered by Cabinet or what are the changes.</p>	<p>This is the same report</p>
<p>Section 3.4 - What would the position have been if this was an usual school year (without the surplus and Welsh Government intervention). How are we in a position of surplus and how reliable is this as an indicator for the future</p>	<p>Many variables have come together at the same time. Welsh Government provided significant funding to offset costs incurred last year and provided grant funding for the current year. Schools were not expected to spend this additional funding quickly, as it was to improve the opportunity of experiences for learners so the funding is held in surpluses. Schools were assured that these surpluses would not be clawed back by the authority. There were also other factors such as schools being closed for three months so many of the overheads were not incurred. At the end of the year they were open with ventilation required so doors and windows may have been open which led to higher energy costs. There have been efforts by schools to deal with their budgets. These are the outturns in the first financial year since</p>

	<p>the Estyn inspection. A change in the funding formula assisted as well, especially in the secondary sector. There have also been additional grants during the year.</p>
<p>This is the first year of the change in the funding formula and an improvement in the secondary sector due to the recognition of the special responsibility allowance. Should this be considered in terms of considering cumulative deficit budgets for these schools.</p>	<p>The amendments made to the formula were discussed with Scrutiny and the Cabinet. There will always be winners and losers in any formula change. Schools are expected to work within their allocated budgets. The framework in which schools are working was changed last year so that there was a financial plan that does not impinge disproportionately on future learners. The only way this will work is with the ongoing transformation of education and see the benefits of what the remaining estate can do. Secondary schools being required to make repayments due to historical issues is something that needs to be worked out sensibly.</p>
<p>£5.5m turnaround within the year (with £3.3m from particular funding). The report indicates that some of the turnaround is due to school closures and some from reducing costs in schools. To what extent were the changes due to the influence of the wrap around team and to what extent good fortune. Funding Formula and deficit balances – to what extent is this a problem with the schools, or with the formula. Transformation - to what extent is the transformation programme is undertaken fully, will balance the budget or will there still be issues going forward.</p>	<p>Reduction in deficits - work is ongoing between officers and schools and this is planned, with schools working to achieve what they agree at those meetings. Schools who have had historic deficits and then received grants from Welsh Government at year end, have been speaking to the authority about how to manage this as the grant funding was not to clear existing deficits. Therefore they are looking to blend the grant with their existing budgets. Transformation - all schools need to have a sustainable long term budget. All schools have challenges and there are tipping points for small schools which can have an impact on budgets. Sustainability is essential and this can only be achieved through transformation. The current estate is larger than the budget to sustain it. The funding formula is currently being reviewed to remove some of the pitfalls but this has to happen in line with the transformation programme. Schools can only do what they can within the budget. It is up to the local authority to</p>

	provide equity and sufficiency.
Are we able to offer a consistent team around the schools to support the school and provide stability.	The relationship with a school does build over time. Everyone in the various service teams should be able to provide this service to a school and there is enough stability within the team as a whole to provide this advice, even if individual officers change. There is also a shared knowledge across the service teams.
Do schools have same person for a whole financial year	Yes, that would be the aim where possible. Challenge advisers and the team around the school would be the same officers for the academic year unless there were circumstances which prevented that.
Section 4.2 – Schools intending to use £1.8m reserves this year. Are schools using this to fund core costs or using reserves to expand or make improvements outside the core delivery.	<p>This is part of the fall out of the additional grants provided at the end of the financial year. This funding is to be used in the current year to provide support for learners as intended by Welsh Government, so schools are drawing down these reserves this year.</p> <p>There is a deadline that some of this grant funding has to be spent by the end of August 2021, and hopefully additional material and resources available in schools.</p> <p>ACTION - The Committee suggested that an explanation in the report about schools' use of reserves would be helpful as well as details in future reports of how the funding has been spent.</p>
There are large steps between class sizes which can cause funding issues for schools (i.e. whether a school needs an additional or reduced numbers of teachers). How is this being considered in reviewing the funding formula.	<p>The inherited formula is there for a reason and the steps were built into it when it was adopted. The steps mean that when there are more than thirty pupils in a class the school gains funding for an additional teacher to run an additional class. It also recognises other circumstances to make sure that schools can function.</p> <p>In future, schools need to function but there also needs to be some ambition in budgets. One way to avoid steps would be to have a per learner funding</p>

	<p>allocation so the loss of pupils would have a less significant impact on the school's budget.</p> <p>For some schools the step system is comfortable as it guarantees a budget, others would prefer not to have steps as it drives funding in a particular way. Internationally funding is either by group funding (steps) or by learner. There are benefits and drawbacks for both.</p> <p>Powys should be considering a per learner funding across the authority and if this does not work then additionality will need to be considered for that school. The formula review is considering this, a change will not suit everyone but what is required is equity and provides sustainability for schools. Modelling activities are being undertaken as part of the review. Then there are additional building blocks needed around any funding model such as ALN, and unique features of a particular school (e.g. new buildings v legacy buildings), size and running a dual stream. Finally, there is an element to support initiative and collaboration across schools, and priorities.</p> <p>The Portfolio Holder for Finance emphasised that the current formula was a co-construction with headteachers from all sectors of education. Any changes made are considered by the school budgets forum. The current formula is to fund the estate we have now not drive the change. However, the quantum of funding available to the Council will not change, it is how it is distributed as equitably as possible.</p>
<p>Can you clarify in year changes after budgets are set when pupil numbers change - when is funding provided and removed from a school. How do schools and support teams deal with this.</p>	<p>Adjusting the budget for pupil movement was only introduced during 2020-21. Funding will change slightly i.e. £3,000 per pupil. This process is an attempt to make the system fairer and reflecting pupil numbers. The process has been refined so that changes do not happen too frequently during a year. Teams are conscious that</p>

	<p>budgets will change, sometimes significantly, but the change should be without causing instability in the school.</p> <p>This is a temporary measure as the Council works through the formula review.</p> <p>Previously, schools could receive an increased number of pupils during the year and funding would not follow until the following year. The additional funding will not affect the steps as its an in-year adjustment. However for those schools losing pupils they understand there's an element of claw back so that the funding follows the pupil to the receiving school.</p>
<p>Is there an issue about movements of pupils in and out of Powys. How is this adjusted.</p>	<p>Predictions from estate agents suggest that there could be an influx of people into rural areas in the coming years. This will probably need to be the subject of a discussion between local authorities and Welsh Government if there is a movement in population. The potential at the moment is small but could become more significant</p>
<p>Cradoc, Llanfaes and Ysgol y Bannau are currently showing draft figures in the document. There is no draft figure for Llangynidr. When will these be updated.</p>	<p>The figures in the report are the governing body approved figures that were considered by governing bodies in April (except for those mentioned) and submitted to finance by 1st May. Those other schools did not meet in time to get the information to finance by the deadline but the figures have been received now for all schools.</p> <p>ACTION – can the figures for the 4 schools be provided to the Committee.</p>
<p>The Finance Panel has raised issue about the funding of schools for some time. On Appendix B the majority of primary schools are showing overspends their in-year budgets. The new formula was introduced to keep funding in balance in-year. The Committee needs an assurance that more of these schools will not have large deficit budgets moving forward to 2024-25 and 2025-26.</p>	<p>Primary school In-year deficits - this comes back to not just the grants they have received but also the surplus balances which they are intending to spend over a number of future financial years. This will have the effect that the surpluses will not balance out the deficits, which officers are working on with schools.</p> <p>ACTION – could the next report show budgets with the spending as a result</p>

<p>Secondary schools- the position is improving due to funding coming into these schools, the change in the funding formula and the impact of Covid. However, in respect of Ysgol Calon Cymru this has received a warning letter and has a diminishing overspend, but this does not tie into the predicted overspend by 2023-24. The Council is pinning its hopes and the future financial management of schools on the transformation programme, but the Committee needs an assurance that the transformation programme will deliver an affordable budget.</p> <p>In the 2022-23 budget the pattern seems to be the larger the primary school the larger the deficit. Is there a view on how this will be addressed.</p> <p>Ysgol Calon Cymru, an audit report is awaited on this issue. Can the Committee have an assurance that no engagement on future transformation proposals will be undertaken before the audit report has been published.</p>	<p>of grants excluded, so that the Committee can see the underlying figures for schools.</p> <p>Those schools in particular have taken on additional staff to provide additional support. These are temporary solutions to provide support for a short term basis, with some funded from specific grants and some from accumulated surpluses.</p> <p>As an example, Llanbrynmair at end of the last financial year had £120K surplus balance. The schools is proposing to reduce this over three years by around £40k per year i.e. an additional member of staff. This will be picked up in finance surgeries when the funding is no longer available and staffing will need to be reduced accordingly.</p> <p>The Chair thanked the officer for the information and suggested that this type of example is the information which could usefully be included in the report.</p> <p>The Portfolio Holder understands the Committee's concern over future years. However, the report is looking at outturn from last year. He also wants to see assurances about schools in the future and that officers are working with schools to sort out their budgets.</p> <p>The forward look is becoming increasingly complex for any local authority. The current budget looks at current number of pupils, identified needs of ALN learners etc. For 2022 / 2023 / 2024 the Service does not know where pupils will be or the extent of their needs by then. A significant portion of school funding has been grant funded over the last ten years. The scale of any future grants is currently unknown which would impact on deficit budgets.</p> <p>The final element is that the future prediction is built on learners but is</p>
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	<p>predicated on everything else staying the same and takes no account of changes which could be implemented by governing bodies. The long distance look is therefore always likely to be a grimmer picture than you would expect and a local authority needs to plan for any significant change such as grant funding not being forthcoming.</p> <p>The audit report on Ysgol Calon Cymru is awaited, and any future proposals will need to be mindful of the outcome of that report.</p>
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Comments:

- Not all schools are the same so pleased that new funding formula may reflect that. Pleased that money should follow the pupil and there is a need to fully recognise those pupils with additional learning needs.
- As the figures in the report contain deferred grants other questions raised by Members can be provided by a written response.
- The Portfolio Holder indicated that these figures paint the worst case scenario. Compared to last year there has been a dramatic change in the figures across all schools. Whilst the Committee requested additional information there is a need not to place an additional burden on schools and the finance team.
- The Chair congratulated the Finance Manager for beginning to address the issues with school budgets.

Outcomes:

- **Noted subject to actions identified above.**

5.	UPDATE ON STRATEGIC EQUALITY OBJECTIVE 5 - IMPROVE OPPORTUNITIES AND OUTCOMES FOR CHILDREN LIVING IN POVERTY
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Documents Considered:

- Report of the Interim Chief Education Officer – Update on Strategic Equality Objective 5.

Issues Discussed:

- The Education Service is the lead Service Area for this equality objective across the Council, working with other service areas.
- The work aims to improve the opportunities and outcomes for children living in poverty and links to actions contained within the Children's Commissioner's report "A Charter for Change: Protecting Welsh Children from the Impact of Poverty".
- The first part of the report focussed on the actions for 2020-21, including:
 - Pupil Development Grant;
 - School Holiday Enrichment Programme (SHEP);
 - Welsh Government's Period Dignity programme;
 - Statutory Guidance on School Uniform;

- Free School Meals Entitlement and Parent Pay;
- Clothing Grants;
- Supporting families who are "in work" poverty;
- Reducing Council Tax for foster carers and Care Leavers;
- Financial Hardship support;
- Housing Support through a Discretionary Housing Payment Scheme;
- Play Resource Packs.
- The second part of the report focussed on the progress on A Charter for Change Report, including;
 - Meeting Basic Needs;
 - The School Experience;
 - Inclusion and Opportunity in the Community;
 - Welsh Government and Local Authorities;
 - Work with Credit Unions to widen the network of School Savings schemes.
- Questions:

<p>There is really good work being undertaken which is encouraging to read. Free School Meals and Period dignity are significant issues, as is work around the summer activity programme.</p> <p>Under the uniform section it provides an example out of county. Next year the uniform exchange operating from the Hive in Llandrindod could be mentioned.</p> <p>With regard to the link to credit unions and savings, could this be promoted more and help young people with safe financing.</p> <p>There needs to be meaningful engagement with young people and schools about the transformation process so that this detail can be included in next year's report.</p> <p>Councillor Jake Berriman declared an interest as a possible member of the Red Kite Credit Union.</p> <p>The Chair suggested that it would be worth considering linking locations for the distribution of school uniforms with food banks across the county, so that there is one point of contact rather than a link to each individual school.</p>	<p>With regard to the Credit union this was a specific recommendation from the Children's Commissioner which was included in the action plan. Engagement work with schools and learners will commence in September to see what's practical to put in place.</p>
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<p>Page 20 - The Pupil Deprivation Grant Access grant support is for years 1, 5, 8,9 and 11. What about pupils in years 2,3,4,6,7 and 10.</p> <p>Page 22 - mention of school uniform and the use of council run buildings and resources - what is this system and how does it work.</p> <p>Page 24 - mention of checks on awards for council tax reduction for families with children on FSM (Free School Meals) of school age who do not claim FSM but families have eligible income. The Income and Awards Team then award and write to advise families they have done so. Is this the wrong way around, i.e. should the check be undertaken first then the award made, and then the information provided to families.</p>	<p>Specific criteria is provided by Welsh Government about year groups. Year Groups have however been widened this year which is nearly all years excluding years 2 and 6. For Special schools the criteria is set on ages with the exclusion of ages 6 and 8 and all children looked after who attend a school in Powys.</p> <p>The actions in the second part of the report are taken directly from the Children's Commissioner's report, together with the Council's response. Some schools have established uniform recycling schemes, but also the Council will explore opportunities to pursue other options such as linking with food banks.</p> <p>This can be referred to the Income and Awards Section for a response which can be provided following the meeting.</p>
<p>Period dignity – is the Council intending to provide any products which are sustainable moving forward.</p> <p>Teachers have been advised to consider that when pupils were approaching them asking for period products whether this needed to be considered as part of a wider safeguarding issue. Therefore, when schemes are being put in place are teachers being advised to look at wider issues of safeguarding in relation to pupils.</p>	<p>Yes the Council is looking at providing sustainable products. The level of sustainable products has been increased to around 84% for the forthcoming year. Smaller packs will also be distributed to high schools to make girls aware of what's available.</p> <p>Schools are trained in safeguarding, and looking for signs of neglect. For some families this is not a safeguarding issue but a poverty issue.</p>
<p>Do we have any information on the uptake of these products, or volumes per school.</p> <p>Based on the information that we have are we confident that pupils in need are taking up this service.</p>	<p>We know the figures about the volumes per school but not numbers of individuals using the service.</p> <p>We have received good feedback from schools and for any change there is liaison with schools to ensure that it is a change that they want. Feedback is that the scheme is well received and well accessed.</p>
<p>Play resources pack - this is what's</p>	<p>Play packs – these were put together</p>

<p>needed. Is it linked to parenting support or classes. Outside of flying start areas do we know of a need in other areas.</p> <p>Was it evaluated.</p> <p>Free Breakfast clubs - can we achieve this across the county where needed. An issue was raised in relation to school transport and access to free breakfast clubs which links with poverty.</p>	<p>as a result of specific grant funding and targeted to the age of children specified in the grant. The Council would wish to widen this in future if there were additional grant or opportunities to do so.</p> <p>That was led by Children's Services and a response can be obtained.</p> <p>Transport and breakfast clubs was an issue raised in scrutiny. Breakfast clubs are important and the authority has worked with schools to make sure that they do happen, but they have been sporadic over the last year due to the pandemic.</p>
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Outcomes:

- **Noted.**

6.	WORK PROGRAMME
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The Committee noted that future meetings were scheduled as follows:

09-21 TBC	
15-09-21 14.00 - 16.00 Zoom	Mount Street / Cradoc (Cabinet 21-09-21) Llanbedr (Cabinet 21-09-21) Churchstoke (Cabinet 21-09-21)
08-12-21 14.00 - 16.00 Zoom	
12-01-22 14.00 – 16.00 Zoom	WESP – post consultation (Cabinet 18-01-22)

County Councillor P Roberts (Chairman)